REMARKS

Favorable reconsideration of this application, as presently amended and in light of the following discussion, is respectfully requested.

After entry of the foregoing amendment, Claims 10 and 11 are pending in the present application. Claim 10 is amended; and Claims 1-9 and 12-20 are canceled by the present amendment without prejudice or disclaimer. No new matter is added.

In the outstanding Office Action, Claims 1, 5, 6, 12-14, and 20 were rejected under 35 U.S.C. 102(b) as anticipated by U.S. Patent No. 4,558,176 to Arnold et al. (hereinafter "Arnold"); Claims 2-4, 7-9, and 16-18 were rejected under 35 U.S.C. 103(a) as unpatentable over Arnold in view of Markus Kuhn, The Trust No 1 Crypto processor Concept and Bruce Schneier, Applied Cryptography; Claim 15 was rejected under 35 U.S.C. 103(a) as unpatentable over Arnold in view of Applied Cryptography; Claim 19 was rejected under 35 U.S.C 103(a) as unpatentable over Arnold in view of U.S. Patent No. 6,006,328 to Drake; and Claims 10 and 11 were indicated as allowable if rewritten in independent to form.

Applicants acknowledge, with appreciation, the indication of allowable subject matter. In view thereof, amended Claim 10 is written in independent form. Claim 11 depends from Claim 10. As Claims 1-9 and 12-20 are canceled by the present amendment, the above-noted rejections are most and no further issues are outstanding.

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Consequently, in light of the above discussion and in view of the present amendment, the present application is believed to be in condition for allowance. An early and favorable action to that effect is respectfully requested.

Respectfully submitted,

Eckhard H. Kuesters

Attorney of Record

Registration No. 28,870

OBLON, SPIVAK, McCLELLAND,

MATER & NEUSTADT, P.C.

Customer Number

22850

Tel: (703) 413-3000 Fax: (703) 413 -2220 (OSMMN 06/04)

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